

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OKLAHOMA

FILED

JUL 07 1997

DOROTHY A. EVANS, CLERK
U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF OKLAHOMA

In re:)	
)	
RUFUS EDWARD WATTS, JR. and)	
BRENDA DELL WATTS,)	Case No. 97-01094-W
)	
Debtors.)	Chapter 7
)	
RUFUS EDWARD WATTS, JR. and)	
BRENDA DELL WATTS,)	
)	
Plaintiffs,)	
)	
v.)	Adv. No. 97-0130-W
)	
UNITED STATES OF AMERICA, ex rel)	
INTERNAL REVENUE SERVICE,)	
)	
Defendant.)	
)	

JUDGMENT

THIS MATTER comes before the Court upon plaintiffs' Complaint to Determine Dischargeability of Debt filed on April 11, 1997 in which plaintiffs request the Court to determine the dischargeability of plaintiffs' federal income tax liabilities.

WHEREFORE it appearing to the Court that plaintiffs and the United States of America are in agreement as to the disposition of the above-captioned adversary proceeding as to them pursuant to the joint stipulation filed herewith, it is

ORDERED AND ADJUDGED that the stipulation between plaintiffs and the United States of America is hereby APPROVED and ADOPTED by the Court, and it is

FURTHER ORDERED as follows:

1. The plaintiffs filed a Chapter 7 petition in bankruptcy on March 13, 1997.

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2. On April 11, 1997 the plaintiffs filed the above-captioned adversary action seeking a determination of the dischargeability of federal income tax liabilities owed to the United States.

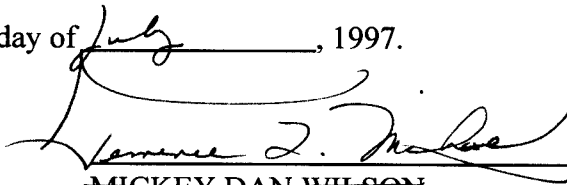
3. The federal income tax liabilities owed by the plaintiffs for the 1984 through 1992 tax years are properly subject to discharge in this bankruptcy proceeding, pursuant to 11 U.S.C. Section 727, if and when a discharge is entered in this case.

4. The federal income tax liabilities owed by the plaintiffs for the 1995 and 1996 tax years are not subject to discharge in this bankruptcy proceeding, pursuant to 11 U.S.C. Section § 523(a)(1).

5. The United States properly filed pre-petition Notices of Federal Tax Lien in connection with the plaintiffs' 1984, 1985, 1986, 1987, 1988 and 1991 federal income tax liabilities which continue in effect and attach to all existing property and rights to property, including exempt property, belonging to the plaintiffs both on and prior to the filing of the bankruptcy petition. See 11 U.S.C. Section 522(c)(2)(B) and 26 U.S.C. Section 6322.

6. This adversary action is hereby dismissed with prejudice as to the plaintiffs and the United States of America, each party to bear its own litigation expenses, including costs and attorneys' fees.

IT IS SO ORDERED this 2nd day of July, 1997.



~~MICKEY DAN WILSON~~
UNITED STATES BANKRUPTCY JUDGE